

Hobbies

Dollar coin could save U.S. money on money, report says

By Roger Boye

Yet another study has concluded that Uncle Sam would save huge amounts of money by replacing the \$1 Federal Reserve note with a dollar coin.

In a report issued last month, the Congressional Budget Office said that if such a switch were made, the government eventually would reap a profit of at least \$224 million a year. Experts believe a dollar coin would last in circulation for at least 20 years while the \$1 bill wears out in about 18 months.

In 1990, the General Accounting Office calculated that the savings would average nearly

\$320 million annually over 30 years if the dollar coin were used widely. Such estimates have buoyed advocates of legislation calling for a round dollar.

"I'm convinced that we will have a dollar coin," said U.S. Rep. Jim Kolbe (R, Ariz.) in testimony before a House subcommittee last month. "The only question is how much time and money will we waste before we have one."

The Southern California Rapid Transit District would save about \$3.5 million annually—or one percent of its operating subsidies—if a coin replaced the dollar bill, said Thomas A. Rubin, SCRTD controller-treasurer, who also testified at the congressional

hearing. Coins can be counted by machines while dollar bills must be unfolded and flattened by hand, an expensive and labor-intensive process.

(The Chicago Transit Authority spends \$22 to count 1,000 paper dollars compared with \$1.64 to process the same number of coins, according to a CTA spokesman.)

Nevertheless, the U.S. Treasury still has not endorsed the dollar-coin proposal, in part because polls suggest that most Americans prefer dollar bills over coins. Officials also remember that the Susan B. Anthony dollar failed to circulate a decade ago.

"The Treasury Department agrees that if the dollar coin suc-

cessfully circulates, there will be cost savings," said Eugene H. Essner, acting director of the United States Mint. Of the 857 million Anthony dollars produced from 1979 to 1981, nearly 404 million remain in government vaults.

The Coin Coalition, a group of associations and companies calling for a circulating "hard dollar," said that many other countries have successfully introduced a high-denomination coin while eliminating a bill.

"Initially, the coins were not popular in most countries," said James C. Benfield, the coalition's executive director. "But the public soon discovered the convenience of the coin, and no country

has found it necessary to return to paper."

The coalition wants Uncle Sam to introduce a golden-colored coin with a smooth edge so that consumers could identify it with ease. Many people confused the Anthony dollar with a quarter.

Dollar-coin advocates include mass transit operators, much of the vending-machine industry, the American Council of the Blind and the Citizens Against Government Waste, among others. The American Bankers Association opposes a circulating dollar coin, in part because banks would have to spend more money moving the coins due to their weight than banks now spend moving dollar bills.